## **Information Society and Media Directorate-**

## General

# 2010 Work Programme Implementation of the Preparatory Action MEDIA International

The preparatory action 'MEDIA International' is aimed at expanding the two-way flow of cinematic works and strengthening cooperation between the audiovisual industries of EU Member States and third countries.

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#### 1. THE FRAMEWORK OF THE 2010 WORK PROGRAMME

#### 1.1. The background to 2010

This third call for proposals is the last one under the MEDIA International preparatory action. In 2011 it will be replaced by a new programme, MEDIA Mundus, specifically dedicated to reinforcing audiovisual cooperation between European professionals and their counterparts in third countries. MEDIA Mundus will run for three years (2011-13) with a total budget of €15 million (i.e. €5 million per year.¹)

For 2010, the third year of the MEDIA International preparatory action, the European Parliament adopted a reduced budget of €1 million. This is a sizeable reduction in comparison with the 2009 budget (€5 million) and the budget set aside for the first year of operation of the new MEDIA Mundus programme (€5 million in 2011). In these circumstances, certain modifications are necessary in relation to the call for proposals of the previous year:

- This call for proposals is restricted to promotional and continuous training projects ending no later than 31 March 2011, i.e., projects of a limited duration mainly taking place in the last quarter of 2010.
- The first call for proposals for the MEDIA Mundus programme will be brought forward. It should take place in the second half of 2010, subject to confirmation of the availability of appropriations. Its aim will be to select actions taking place between 1 February 2011 and 31 March 2012.

#### 1.2. The MEDIA International Preparatory Action

The MEDIA International preparatory action is aimed at strengthening cooperation between the audiovisual industries of third countries and those of EU Member States. It also aims to encourage the two-way flow of cinematographic/audiovisual works. MEDIA International is complementary to the UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions, the 2007 MEDIA programme and the provisions on cultural cooperation in EU economic partnership agreements and free trade agreements.

The geographical sphere of influence of the MEDIA 2007 programme is essentially European. Apart from the EU Member States who automatically benefit from this programme, Article 8(1)(2) and (3) of the legal basis of MEDIA 2007 authorises the participation of countries located on the European continent with privileged links to the European Union:

- the EFTA States that are members of the EEA,
- the acceding countries with a pre-accession strategy,
- the Western Balkan countries,
- the States party to the European Convention on Transfrontier Television of the Council of Europe.

<sup>&</sup>lt;sup>1</sup> Cf. Council <u>Decision No. 1041/2009/EC</u> of the European Parliament and of the Council of 21 October 2009.

As such, Croatia, Liechtenstein, Norway, Iceland and Switzerland are participating in the MEDIA 2007 programme.

Indeed, the legal basis of MEDIA 2007 introduces the possibility for a 'cooperation' formula for non-European third countries with whom the EU has signed cooperation agreements (Article 8(4)). The main objective is to create 'added value for the European audiovisual industry in terms of promotion, market access, distribution, dissemination and broadcast of European works' in the partner countries. However, since the creation of the MEDIA programme in 1991, no non-European third country has applied to be covered by this 'cooperation' formula.

Consequently, the international dimension of European audiovisual policy is limited to support for the audiovisual industries of countries in the Mediterranean region (through the Euromed Audiovisual programme, the third generation of which covers the 2009-12 period with a budget of €11 million) and ACP countries (through the EU-ACP support programme for cinema and the audiovisual industry, duration: 5 years 2007-11, budget: €8 million). Since 2009 the MERCOSUR programme has allowed this international dimension to be extended to the MERCOSUR countries (Argentina, Brazil, Uruguay and Paraguay). With a total budget of €1.85 million (including €1.5 million provided by the European Union), for a period of five years, this action is intended to strengthen the film and audiovisual industries in the countries concerned, with a particular emphasis on the regional dimension.

In the context of the very small presence of European films on markets as vast as those in Asia and Latin America and the difficulties that films from these countries often have in gaining access to European cinemas, the preparatory action MEDIA International has a dual purpose. Firstly, it helps to foster cooperation between EU professionals and professionals from third countries not covered by MEDIA 2007, through an approach focused on discovering mutual benefits (unlike the MERCOSUR Audiovisual programme).

Secondly, for the Commission it is an essential starting point for the MEDIA Mundus programme (2011-13, budget €15 million), a programme of audiovisual cooperation between European professionals and their counterparts from non-EU countries.

#### 1.3. The objectives of the preparatory action

Due to its limited budget, the 2010 MEDIA International preparatory action will focus on two objectives:

- strengthening the exchange of information, international expertise and familiarity with foreign audiovisual markets of audiovisual professionals;
- improving the competitiveness and access to international markets of cinematographic/audiovisual works.

To meet these objectives, MEDIA International 2010 will support two categories of actions:

- continuous training actions enabling audiovisual professionals to improve their international skills and their knowledge of how foreign markets work;
- actions facilitating the involvement of professionals in international events allowing access to international sources of financing and/or the sale of film/audiovisual works on international markets

All proposals submitted for this call for proposals should primarily be based on the principle of reciprocity. As a central pillar of the MEDIA International strategy, integrating the principle of reciprocity into a project means that both of the following criteria must be met:

- there is a balance between the works/participants (trainers, professionals benefiting from the actions, etc.) from Europe and from the third countries covered by the project;
- there is a balanced distribution of the benefits from the project between the works/participants from Europe and those from the third countries.

#### 2. TIMETABLE

The third year of implementation of the MEDIA International preparatory action is based on the publication of a single call for proposals with the following indicative timetable:

- February 2010: publication of the call for proposals;
- 31 March 2010: closure of the call for proposals;
- End of April 2010: selection committee.

Applicants will be informed of the results of the selection procedure within two weeks of the final decision on the award of the grant.

If a proposal submitted under this call for proposals is not selected, the Commission will inform the applicant in writing as soon as possible, giving the reasons for this decision with regard to the criteria set out in the work programme.

#### Period of eligibility of costs

Only costs incurred during the period of the action are eligible. The period of the action (i.e. the period of eligibility of costs) normally begins on the day the grant agreement is signed by both parties.

In certain duly justified cases, the action can begin (the eligibility period, but not the events) before the agreement is signed. However, this period cannot under any circumstance start before the date on which the grant application was submitted.

Under no circumstances can the eligibility period predate 1 August 2010. It must end no later than 31 March 2011.

#### 3. BUDGET

The budget for the current call for proposals is €0.99 million. The selection of a project does not necessarily mean that it will receive the amount for which it applied.

The amount of Community financial aid is set within the limit of the available budget for the call and based on the cost and nature of each action submitted, in accordance with the selection and award criteria set out in chapters 7 and 8 below. The aid is awarded in the form of a grant.

#### 4. CALL FOR PROPOSALS

The call for proposals is designed to address the two main objectives of the Preparatory Action MEDIA International 2010:

- Objective No 1: Exchange of information, international expertise and knowledge of audiovisual markets;
- Objective No 2: Competitiveness and market access.

To this end, the call for proposals consists of two separate lots.

# 4.1 Objective No 1: Exchange of information, international expertise and knowledge of audiovisual markets

Lot No 1 is aimed at meeting Objective No 1.

#### 4.1.1. Lot No 1: Training for audiovisual professionals

This support is for projects capable of meeting one of the following objectives:

#### **Objectives**

- Building a deeper understanding of the operating conditions, legal framework and systems of financing of the audiovisual markets in all the countries participating in the proposed project, with particular reference to:
  - Analysing the conditions for developing international co-productions between EU and third countries:
  - Assessing conditions of production, distribution, exhibition and dissemination of cinematographic/audiovisual works on international markets (Europe and the rest of the world).
- Improving the international potential of projects at the development phase. This mainly means supporting training activities designed to provide producers and/or writers and/or directors with skills to facilitate their inclusion in co-production markets (identification of target audiences, standards of writing and presenting screenplays, creative collaboration between writers, directors, producers, distributors, sales agents, etc.);
- Improving the international transfer of knowledge, strategies and opportunities driven by new technologies in the production, post-production, distribution and promotion of cinematographic/audiovisual works;
- Encouraging the initial development and consolidation of artistic cooperation and financial networks between European professionals and their counterparts in third countries.

#### **Expected impact**

- Facilitating the establishment of networks and the exchange of information and best practice between European professionals and their counterparts in third countries;
- Facilitating and increasing co-productions between EU Member States and third countries;
- Improving the potential for distribution of cinematographic/audiovisual works from third countries in Europe and, vice versa, that of European works in third countries;
- Boosting the external competitiveness of the cinematographic/audiovisual sectors in EU and third countries.

#### **Call for proposals**

**IMPORTANT:** Unlike previous calls for proposals, projects consisting of the extension of training previously supported by the MEDIA 2007 programme are not eligible for this call.

This lot is addressed only to projects concerning continuos training. They must be aimed at professionals with clearly proven skills and at least three years of experience in the audiovisual sector. Applications must be submitted by a group that meets the following two criteria:

- the coordinator of the group must have its registered office in a Member State of the European Union;
- the group must include at least one organisation/company linked to the audiovisual sector which has its registered office in a third country (other than Croatia, Liechtenstein, Norway, Iceland or Switzerland).

Project proposals must respect the balance between professionals and trainers from third countries and those from the EU. The contribution requested by the applicant may not exceed:

- 50% of the total eligible costs of the project (where the project coordinator is legally established in one of the following countries: Germany, Spain, France, Great Britain, Italy, and where the project takes place entirely within a Member State of the European Union);
- 75% (where the project coordinator is legally established in one of the twenty-two other Member States and where the project takes place entirely within a Member State of the European Union);
- 80% (where the project takes place wholly or partly in a third country<sup>2</sup>, regardless of the origin of the coordinator).

#### 4.2. Objective No 2: Competitiveness and market access.

Meeting this objective involves implementing actions covered by Lot No 2.

#### 4.2.1. Lot No 2: Market access

Lot No 2 is intended to support actions to promote access to international markets for cinematographic/audiovisual works. These actions concern the development and/or production phases (internal co-production forum) and activities downstream (notably those facilitating the international distribution and sale of the works).

#### **Objectives**

- To facilitate international co-productions involving EU partners;
- To act upstream to improve the conditions of distribution, showing and dissemination of EU works in non-EU countries, and vice versa:
- To improve the profile and penetration of professionals and European works at trade fairs outside the European Union and, vice versa, the profile of non-European works at European fairs;
- To facilitate the sale of European works on foreign markets and, vice versa, the sale of works from non-EU countries on the markets of the Member States;

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Other than Croatia, Liechtenstein, Norway, Iceland and Switzerland.

- To encourage the initial development and consolidation of artistic cooperation and financial networks between European professionals and their counterparts from third countries.

#### **Expected impact**

- To increase the number of international co-productions involving EU partners;
- To increase the share of foreign pre-sales in the financing of EU works and, vice versa, the share of EU pre-sales in the financing of works from third countries;
- To increase the supply of European works on the audiovisual markets of third countries (in all formats) and, vice versa, the supply from third countries in European audiovisual markets
- To increase cultural diversity.

#### Call for proposals

Applications must be submitted by a group which meets two criteria:

- the coordinator of the group must have its registered office in a Member State of the European Union;
- the group must include at least one organisation/company linked to the audiovisual sector which has its registered office in a third country (other than Croatia, Liechtenstein, Norway, Iceland or Switzerland).

The projects proposed should be balanced between European works and those initiated by professionals from third countries.

Projects must be focused exclusively on cinematographic/audiovisual works with a planned budget not exceeding EUR 25 million.

The contribution requested by the applicant may not exceed:

- 50% of the total eligible costs of the project where the project coordinator is legally established in one of the following countries: Germany, Spain, France, United Kingdom, Italy;
- 75% where the project coordinator is legally established in one of the 22 other Member States of the European Union.

#### 5. ELIGIBILITY CRITERIA

As the first step in the assessment and selection process, the Commission will check the applicants' compliance with the eligibility criteria (cf. Chapter 9). Failure to meet these criteria will result in the application being excluded from the selection process.

#### 5.1. Eligible applicants

The required characteristics are listed in the description for each of the lots (cf. Chapter 4). However, two fundamental criteria must be noted:

- the coordinator of the applicant group must have its registered office in a Member State of the European Union;
- the applicant group should include at least one organisation/company connected to the audiovisual sector with its head office in an eligible third country (cf. 5.3).

Only grant applications submitted by legal persons shall be eligible. Please note that **individual applications** (submitted by natural persons) are not eligible.

#### 5.2 Eligible proposals

Only proposals submitted using the official application form and meeting the eligibility criteria detailed in Chapter 9 are eligible. They should also respect the rule forbidding the combination of Community grants (Title VI, Chapter 2, Article 111 of the Financial Regulation)<sup>3</sup>.

#### **5.3.** Eligible countries

- The Member States of the European Union

Germany, Spain, France, the United Kingdom and Italy are different from the other twenty-two EU Member States because of the volume of their production and/or the extent of their linguistic area. Within the other twenty-two countries, the twelve new Member States of the European Union have a special place. These specificities entail differential treatment is in line with the modalities set out earlier (cf. Chapter 4).

- Third countries

Eligible third countries are non-EU Member States, excluding Croatia, Liechtenstein, Norway, Iceland and Switzerland.

<u>IMPORTANT</u>: This breakdown does not in any way imply the exclusion of professionals from Croatia, Liechtenstein, Norway, Iceland or Switzerland from MEDIA International. Once a project is submitted by a group with a European coordinator and includes at least one partner from an eligible third country, the professionals from these countries can be part of this group. They are then fully eligible for support from MEDIA International.

#### 6. GROUNDS FOR EXCLUSION

Applicants must state that they are not in any of the situations described in Articles 93(1), 94 and 96(2) of the Financial Regulation applicable to the general budget of the European Communities (Council Regulation (EC, Euratom) No 1605/2002) and set out below. Applicants will be excluded from participating in this call for proposals if:

- a. they are bankrupt or being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, are the subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- b. they have been convicted of an offence concerning their professional conduct by a judgment which has the force of res judicata;
- c. they have been guilty of grave professional misconduct proven by any means which the awarding authority can justify;
- d. they have not fulfilled obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which they are established or with those of the country of the contracting authority or those of the country where the contract is to be performed;
- e. they have been the subject of a judgment which has the force of res judicata for fraud, corruption, involvement in a criminal organisation or any other illegal activity detrimental to the Communities' financial interests;

http://eur-lex.europa.eu/LexUriServ/site/en/consleg/2002/R/02002R1605-20070101-en.pdf

f. they are currently subject to an administrative penalty referred to in Article 96(1) of the Financial Regulation.

Applicants cannot receive any financial assistance if, at the time of the grant award procedure, they:

- a. are subject to a conflict of interest;
- b. are guilty of misrepresentation in supplying the information required by the awarding authority as a condition of participation in the grant award procedure, or fail to supply this information;
- c. are not in any of the situations of exclusion listed in Articles 93 and 1 of the Financial Regulation.

In accordance with Articles 93 to 96 of the Financial Regulation, administrative and financial penalties may be imposed on applicants who are guilty of misrepresentation or are found to have seriously failed to meet their contractual obligations under a previous agreement.

To respect these provisions, each member of the applicant group must certify that they are in none of the situations listed in Articles 93 and 94 of the Financial Regulation, by signing the 'Declaration of honour with respect to exclusion criteria' form in their application.

#### 7. SELECTION CRITERIA

The selection criteria must allow verification of the applicants' financial and operational capacity to complete the proposed action or work programme.

#### 7.1. Operational capacity

Each member of the applicant group must have the professional skills and qualifications required to complete the proposed action.

At the time of submitting the application, they must provide evidence of:

- human and technological resources within the group (evaluated on the basis of the curricula vitae of all the project partners, stating all the relevant professional experience):
- solid experience within the organisation;
- a satisfactory market share of audiovisual markets.

#### 7.2. Financial capacity

The applicants must have stable and sufficient sources of funding to maintain their activity throughout the period in which the proposed action is being carried out. This criterion will be evaluated on the basis of the following documents to be provided by the **coordinator of the applicant group**:

- The profit and loss accounts of the coordinating body and the balance sheet for the last two financial years for which accounts have been closed.
- The financial capacity form in the application file, duly completed. The key data will be based on the coordinator's annual accounts for the last two financial years for which accounts have been closed. The coordinating body shall guarantee that these figures are exact and verifiable.
- The bank identification form duly signed by the coordinating body and certified by the bank (original signatures required).

If, on the basis of the documents submitted, the Commission considers that the applicant's financial capacity has not been proven or is not satisfactory, it may:

- reject the application;
- request further information;
- propose a grant agreement with a reduced rate of pre-financing;
- propose a grant agreement without pre-financing.

#### **Exemption**

The financial capacity is not verified in the case of public bodies. If the coordinating body is in this situation, this should be mentioned in the **appropriate form** ('Financial information') in the application file.

#### 8. AWARD CRITERIA

The award criteria (cf. Chapter 9 on the next page) are used to assess the quality of the proposals submitted in terms of the objectives and priorities set. Grants will be awarded within the limits of the budgetary resources available.

## 9. **DETAILS: ELIGIBILITY, SELECTION AND AWARD CRITERIA**

Lot No 1	Eligibility criteria	Selection criteria	Award criteria
Lot No 1 Training for audiovisual professionals	1. The proposal must be submitted by the deadline indicated in the call for proposals.  2. The proposal must be submitted by a group whose coordinator has its registered office in a Member State of the European Union and which includes at least one partner whose registered office is in a non-EU country.  3. Form A4 for the proposal must be signed by the legal representative of the coordinating body of the group.  4. Forms A1, A2, A3 and A4 must all be filled in and supplied in the application file.  5. The project for which support has been requested must correspond to at least one of the actions described in the work programme.	Is the applicant group technically capable of successfully carrying out the project?  Is the applicant group financially capable of successfully carrying out the project?	If a proposal gets less than 18 points for criterion 3 (application of the principle of reciprocity), it will automatically be rejected.  1. Quality of the applicant group (20 points)  - International coverage and coherence  - Complementarity of the partners  - Potential and expertise of the partners  - Quality of links with the audiovisual industry  2. Quality and effectiveness of the project (40 points)  - Methodology proposed  - Relevance of the skills taught  - Pedagogical approach  - Target group  - Choice of trainers and participants  - Interest of geographical areas covered  - Relevance of objectives  - Ability to meet objectives  - Network effects  3. Application of the principle of reciprocity (30 points)  - European diversity taken into account  - Balance between European and non-European participants/trainers/stakeholders  - Opportunities for European and non-European professionals  4. Cost/benefit ratio (10 points)

<sup>1.</sup> The coordinator must fill in forms A1, A2, A3, and A4. Forms A2 and A3 must also be filled in by each member of the group

Market access  1. The proposal must be submitted by the deadline indicated in the call for proposals. 2. The proposal must be submitted by a group whose coordinator has its registered office in a Member State of the European Union and which includes at least one partner whose registered office is in an eligible third country. 3. The A4 form for the proposal must be signed by the legal representative of the coordinating body of the group. 4. The forms A1, A2, A3 and A4 must all be filled in the application file. 5. The action for which support has been requested must correspond to at least one of the actions described in the work programme.  1. Is the applicant group technically capable of successfully carrying out the project? 2. Is the applicant group financially capable of successfully carrying out the project? 2. Is the applicant group financially capable of successfully carrying out the project? 2. Is the applicant group technically capable of successfully carrying out the project? 2. Is the applicant group financially capable of successfully carrying out the project? 2. Is the applicant group financially capable of successfully carrying out the project? 3. The A4 form for the proposal must be signed by the legal representative of the coordinating body of the group. 4. The forms A1, A2, A3 and A4 must all be filled in the application group financially capable of successfully carrying out the project? 4. The proposal gets less than 18 points for criteria 3 (applying the principle of reciprocity), it will automatically be rejected.  5. Quality of the applicant group (20 points) - International coverage and coherence; - Complementarity of the partners - Economic base and potential of the partne	Lot No 2	Eligibility criteria	Selection criteria	Award criteria
coverage - Relevance of objectives - Ability to meet objectives - Network effects 3. Application of the principle of reciprocity (30 points) - Consideration of European diversity - Balance between European and non-European participants - Balance of opportunities between European and non-European participants - Boundary of the project (10 points)		1. The proposal must be submitted by the deadline indicated in the call for proposals.  2. The proposal must be submitted by a group whose coordinator has its registered office in a Member State of the European Union and which includes at least one partner whose registered office is in an eligible third country.  3. The A4 form for the proposal must be signed by the legal representative of the coordinating body of the group.  4. The forms A1, A2, A3 and A4 must all be filled in and supplied in the application file.  5. The action for which support has been requested must correspond to	<ol> <li>Is the applicant group technically capable of successfully carrying out the project?</li> <li>Is the applicant group financially capable</li> </ol>	If a proposal gets less than 18 points for criteria 3 (applying the principle of reciprocity), it will automatically be rejected.  1. Quality of the applicant group (20 points) - International coverage and coherence; - Complementarity of the partners - Economic base and potential of the partners  2. Quality and effectiveness of the project (40 points) - Methodology proposed - International relevance - Target group - Choice of projects/professionals - Choice of events - Economic relevance and coherence of the geographical coverage - Relevance of objectives - Ability to meet objectives - Network effects 3. Application of the principle of reciprocity (30 points) - Consideration of European diversity - Balance between European and non-European participants - Balance of opportunities between European and non-European participants

<sup>1.</sup> The coordinator must fill in forms A1, A2, A3, and A4. Forms A2 and A3 must also be filled in by each member of the group